

September 2020 Revenue Estimating Conference Report



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**CFO MEMORANDUM
NO. 2020-103-004**

TO: City of Detroit Revenue Estimating Conference Principals

FROM: Tanya Stoudemire, Deputy CFO/Budget Director, City of Detroit 

SUBJECT: Proposed FY 2021 – FY 2025 Revenue Estimates Pursuant to State of Michigan Public Act 279 of 1909, Section 4t(1)(d)

DATE: September 10, 2020

1. AUTHORITY

1.1. State of Michigan Public Act 279 of 1909 (PA 279), Section 4t(1)(d), as amended by Public Act 182 of 2014, states the City shall hold a revenue estimating conference in the second week of September and in the third week of February of each year, subject to the following:

1.1.1. A conference shall establish an official economic forecast of major variables of the national, state, and local economies. A conference also shall establish a forecast of anticipated revenues of the city as the conference determines.

1.1.2. The principals of a conference shall be the chief financial officer of the city, the state treasurer or his or her designee from within the department of treasury, and a person affiliated with another public entity, including a state institution of higher education, with experience in economic forecasting and revenue projection selected by the chief financial officer of the city and the state treasurer.

1.1.3. The official forecast of economic and revenue variables of the conference shall be determined by consensus among the conference principals and shall be for the fiscal year in which the conference is being held and the succeeding 2 fiscal years. The conference also shall forecast general fund revenue trendline projections for the city for an additional 2 fiscal years. Conference forecasts of revenues and expenditures shall be based upon the assumption that current law and administrative procedures will remain in effect for the forecast period.

1.1.4. The conference may request and shall receive from officers, departments, agencies, and authorities of the city the assistance and data needed to enable the conference to fulfill its duties.

2. OBJECTIVES

2.1. To provide the City of Detroit Revenue Estimating Conference principals the assistance and data needed to fulfill their duties in establishing the City's official economic and revenue forecast.

2.2. To satisfy the Office of Budget's ongoing revenue estimation and economic forecasting responsibilities in accordance with CFO Directive No. 2018-101-002 Comprehensive Financial Planning.

3. PURPOSE

- 3.1. To submit proposed revenue estimates to the Revenue Estimating Conference principals for their consideration.

4. SCOPE

- 4.1. This Memorandum and the attached report are intended solely to assist the Revenue Estimating Conference principals fulfill their duties pursuant to Section 4t(1)(d) of PA 279.

5. STATEMENT

- 5.1. In accordance with Section 4t(1)(d) of PA 279 and CFO Directive No. 2018-101-002, the Office of Budget prepared the attached revenue estimates for FY 2021 through FY 2025 for consideration by the principals of the City of Detroit September 2020 Revenue Estimating Conference.
- 5.2. Revenue estimates were prepared on a conservative basis to minimize the possibility that economic fluctuations could jeopardize ongoing service delivery during the fiscal year.
- 5.3. Revenue estimates were prepared in consultation with the other OCFO divisions responsible for administering their respective revenues, as well as the City Council's Legislative Policy Division and the Auditor General's Office.

City of Detroit
September 2020 Revenue Estimating Conference Report

September 10, 2020

Overview of Revenue Estimating Conference:

State of Michigan Public Act 279 of 1909, Section 117.4t(1)(d), as amended by Public Act 182 of 2014, states the City of Detroit shall hold biannual revenue estimating conferences, which shall establish the official economic forecast and forecast of anticipated revenues of the City. The City holds its Revenue Estimating Conferences in September and February of each fiscal year. The voting principals are the City's Chief Financial Officer (CFO), the State Treasurer (or designee), and a person affiliated with another public entity, including a State institution of higher education, with experience in economic forecasting and revenue projection selected by the CFO and State Treasurer. The voting principals for the September 2020 Revenue Estimating Conference are:

- David P. Massaron, Chief Financial Officer, City of Detroit
- Eric Bussis, Chief Economist and Director, Office of Revenue and Tax Analysis, Michigan Department of Treasury (on behalf of State Treasurer Rachael Eubanks)
- George Fulton, PhD, Director Emeritus, Research Seminar in Quantitative Economics (RSQE), Department of Economics, University of Michigan

The Office of Budget, within the Office of the Chief Financial Officer (OCFO), prepared revenue estimates for consideration by the conference principals. Following their review, the principals approved the revenue estimates without modification. In preparing the revenue estimates, the Office of Budget consulted with the OCFO's Offices of the Assessor, Departmental Financial Services, and the Treasury, as well as the City Council's Legislative Policy Division and the Office of the Auditor General. The Office of Budget thanks its colleagues for their continued support and assistance throughout the revenue estimation process.

The estimates that follow include the current fiscal year (FY 2021) and the four succeeding fiscal years (FY 2022–25). While there is a greater focus on the General Fund, the estimates also cover the City's grant, enterprise, and special revenue funds. The forecast assumes that current law and administrative procedures will remain in effect for the forecast period.

Summary of Revenue Estimates:

September 2020 Revenue Estimates, General Fund									
<i>\$ in millions</i>									
	September 2020 Estimates								
	FY21	FY22	Change	FY23	Change	FY24	Change	FY25	Change
Major Taxes									
Income Tax	\$ 227.4	\$ 319.7	40.6%	\$ 337.8	5.7%	\$ 355.7	5.3%	\$ 366.4	3.0%
State Revenue Sharing	201.4	201.3	0.0%	202.5	0.6%	203.6	0.5%	204.8	0.6%
Wagering Tax	86.6	182.9	111.2%	186.7	2.1%	188.6	1.0%	190.5	1.0%
Property Tax	132.1	133.7	1.2%	132.8	-0.7%	133.5	0.5%	135.6	1.6%
Tax Increment Financing Capture	(15.8)	(15.1)	-4.4%	(15.4)	2.0%	(15.7)	1.9%	(16.0)	1.9%
Net Property Tax	116.3	118.6	2.0%	117.4	-1.0%	117.8	0.3%	119.6	1.5%
Utility Users Tax	40.8	41.0	0.5%	41.2	0.5%	41.4	0.5%	41.6	0.5%
To Public Lighting Authority	(12.5)	(12.5)	0.0%	(12.5)	0.0%	(12.5)	0.0%	(12.5)	0.0%
Net Utility Users Tax	28.3	28.5	0.7%	28.7	0.7%	28.9	0.7%	29.1	0.7%
Subtotal, Major Taxes	\$ 660.0	\$ 851.0	28.9%	\$ 873.1	2.6%	\$ 894.6	2.5%	\$ 910.4	1.8%
Other Revenues	\$ 180.7	\$ 193.7	7.2%	\$ 197.5	2.0%	\$ 198.6	0.6%	\$ 199.7	0.6%
Grand Total, General Fund	\$ 840.7	\$ 1,044.7	24.3%	\$ 1,070.6	2.5%	\$ 1,093.2	2.1%	\$ 1,110.1	1.5%

The estimates include updates for FY 2021–25. Recurring General Fund revenues from FY 2021 to FY 2022 increase by 24.3%, largely due to gains in wagering tax based on a projected return to pre-COVID-19 capacity for casinos, as well as stabilized income tax collections. Revenues from FY 2022 to FY 2023 increase by 2.5%, with a similar growth trend projected throughout the forecast period. Overall, modest increases are projected from FY 2022 through FY 2025 across the City’s major taxes and other revenues.

Economic Conditions and Outlook:

Conditions have completely reversed from the beginning of 2020, where we were in the later stages of the longest recorded economic expansion in U.S. history. A novel coronavirus (SARS-CoV-2), which causes Coronavirus disease 2019 (COVID-19), proved to be very contagious and deadly with the need for care pushing hospitals beyond their capacity. To prevent the spread of the virus, states and municipalities ordered the partial or complete closure of businesses that involved close or frequent interaction with people in March. Further, most private offices closed their physical location and quickly transitioned their employees to remote work where possible. As a result, the manufacturing, education, healthcare, leisure and hospitality sectors suffered. The closures led the U.S. unemployment rate to peak at 14.7%¹ in April. Over 30 million new unemployment claims were filed between March 21 and April 25,² the worst employment conditions since the Great Depression. Gross domestic product fell on an annualized basis by 5% in the first quarter of 2020 and a staggering 31.7% in the second quarter,³ confirming the U.S. economy was in a recession.

Fortunately, the economic shock that caused this recession was largely driven by policies to control the spread of the virus and the impact of lower economic activity was softened through fiscal stimulus in the form of the CARES Act. As businesses implemented safety and health measures to prevent the spread of COVID-19, which has slowed, states and municipalities have gradually relaxed restrictions. Although there have been case spikes in the southern and western U.S., there is evidence of a nascent recovery. The August unemployment rate fell to 8.4%¹ and new claims filed in the week ending September 5 has fallen to 884,000 from a peak of approximately 7 million in the first week of April.² Consumer confidence, in spite of increased retail spending through online shopping, vehicles and home sales, remain far below pre-COVID-19 levels.⁴

Michigan and the City of Detroit were among the areas hardest hit by COVID-19 in the spring. The local employment situation largely followed national trends but were more severe, particularly for the City of Detroit. The State's unemployment rates peaked at 23.6% in April. Comparatively, the City's unemployment rate peaked at 39.4% in May.⁵ As COVID-19 related hospitalizations and new cases fell, Governor Gretchen Whitmer began lifting the executive "stay-at-home" orders; beginning a gradual reopening phase in May. As of July, the unemployment rate has fallen to 9.5% for Michigan and 20.3% for Detroit.⁵ If hospitalizations and transmission rates continue to fall and remain low, the recovery will likely progress as corresponding restrictions are lifted. However, it may be sometime before economic activity returns to pre-COVID-19 levels as there are numerous obstacles and challenges that could weaken or stall the recovery.

¹ U.S. Bureau of Labor Statistics, Current Population Survey

² U.S. Department of Labor, Employment & Training Administration

³ U.S. Bureau of Economic Analysis

⁴ Conference Board, August 2020 Consumer Confidence Survey

⁵ U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

Monthly Unemployment Rates, February – July 2020

Month	United States	Michigan	Detroit
February	3.5%	3.6%	7.6%
March	4.4%	4.0%	9.3%
April	14.7%	23.6%	38.4%
May	13.3%	20.8%	39.4%
June	11.1%	15.0%	32.0%
July	10.2%	9.5%	20.4%

Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

Risks to the Economic Outlook:

As the national, state, and local economy recover, several uncertainties remain. The largest and most impactful uncertainty is the creation and broad-based delivery of a COVID-19 vaccine. There are several vaccines undergoing human trials that could become available in the coming months; but how soon a vaccine is approved for distribution and how soon we will reach a critical mass of vaccinated individuals remains unknown. What is clear is that without a vaccine, current governmental restrictions on business activities and consumer apprehension will persist in a way that will slow or stall the recovery. The absence of a vaccine also creates risk for a second wave in COVID-19 cases that would warrant adding back restrictions that would likely end the recovery completely.

Regardless of when a vaccine is made available there may still be some time before consumers and businesses feel comfortable spending and investing, to the same degree they did before the pandemic. Until they do, unemployment is likely to remain elevated and wages depressed. Just as with the first round, a second round of fiscal stimulus would soften impacts due to lower employment and consumer spending and strengthen the recovery. Without additional stimulus, the risk remains for the recovery to slow or stall out. Lastly, the COVID-19 induced recession has drastically accelerated trends around remote work and the transition of retail trade from brick-and-mortar stores to online platforms. The indirect effects of those changes remain unknown, but it is clear that businesses that depend on consumer traffic will likely see activity remain low even after a return to normalcy.

Current Year Revenue Estimates Update:

FY 2021 Revenue Estimates, General Fund							
<i>\$ in millions</i>							
	FY 2020	FY 2021		Change Since FY 2020		Change Since Adopted Budget	
	Proj. Actual	Adopted Budget	Sept. 2020 Estimate	\$	%	\$	%
Major Taxes							
Income Tax	<u>\$ 283.1</u>	<u>\$ 239.4</u>	<u>\$ 227.4</u>	<u>\$ (55.7)</u>	<u>-19.7%</u>	<u>\$ (12.0)</u>	<u>-5.0%</u>
Recurring	286.6	239.4	227.4	(59.2)	-20.7%	(12.0)	-5.0%
Non-recurring	(3.5)	-	-	3.5	-100.0%	-	
State Revenue Sharing	181.7	190.5	201.4	19.7	10.8%	10.9	5.7%
Wagering Tax	132.3	135.3	86.6	(45.7)	-34.5%	(48.7)	-36.0%
Property Tax	134.4	126.4	132.1	(2.3)	-1.7%	5.7	4.5%
Tax Increment Financing Capture	(14.2)	(14.5)	(15.8)	(1.6)	11.3%	(1.3)	9.0%
Net Property Tax	120.2	111.9	116.3	(3.9)	-3.2%	4.4	3.9%
Utility Users Tax	38.9	41.0	40.8	1.9	4.9%	(0.2)	-0.5%
To Public Lighting Authority	(12.5)	(12.5)	(12.5)	-	0.0%	-	0.0%
Net Utility Users Tax	26.4	28.5	28.3	1.9	7.2%	(0.2)	-0.7%
Subtotal, Major Taxes	<u>\$ 743.7</u>	<u>\$ 705.6</u>	<u>\$ 660.0</u>	<u>\$ (83.7)</u>	<u>-11.3%</u>	<u>\$ (45.6)</u>	<u>-6.5%</u>
Major Taxes (Recurring Only)	<u>\$ 747.2</u>	<u>\$ 705.6</u>	<u>\$ 660.0</u>	<u>\$ (87.2)</u>	<u>-11.7%</u>	<u>\$ (45.6)</u>	<u>-6.5%</u>
Other Revenues	<u>\$ 187.5</u>	<u>\$ 201.1</u>	<u>\$ 180.7</u>	<u>\$ (6.8)</u>	<u>-3.6%</u>	<u>\$ (20.4)</u>	<u>-10.1%</u>
Recurring	171.9	201.1	180.7	8.8	5.1%	(20.4)	-10.1%
Non-recurring	15.6	-	-	(15.6)	-100.0%	-	
Grand Total, General Fund	<u>\$ 931.2</u>	<u>\$ 906.7</u>	<u>\$ 840.7</u>	<u>\$ (90.5)</u>	<u>-9.7%</u>	<u>\$ (66.0)</u>	<u>-7.3%</u>
General Fund, Recurring Only	<u>\$ 919.1</u>	<u>\$ 906.7</u>	<u>\$ 840.7</u>	<u>\$ (78.4)</u>	<u>-8.5%</u>	<u>\$ (66.0)</u>	<u>-7.3%</u>

In April 2020, the Office of Budget projected a \$194.1 million revenue shortfall for FY 2021 due to the COVID-19 pandemic and its mandatory business closures and impact on the economy. This included a \$178.1 million reduction in the General Fund and \$16.0 million reduction in other funds compared to the February 2020 Revenue Estimating Conference results. In light of this projected shortfall, the City used the lower revenue estimates for its FY 2021 Budget that was adopted in May 2020.

The FY 2021 Adopted Budget General Fund estimate of \$906.7 million includes the \$178.1 million in downward revisions compared to the FY 2021 estimate approved at the February 2020 Revenue Estimating Conference. Again, these downward revisions represent projected COVID-19 impacts that were not assumed at the time of the February 2020 Revenue Estimating Conference (see Appendix, “Exhibit 4 – FY 2021 General Fund Changes from February 2020 Revenue Estimating Conference, FY 2021 Adopted Budget, and September 2020 Revenue Estimating Conference” for a breakout by major revenue category).

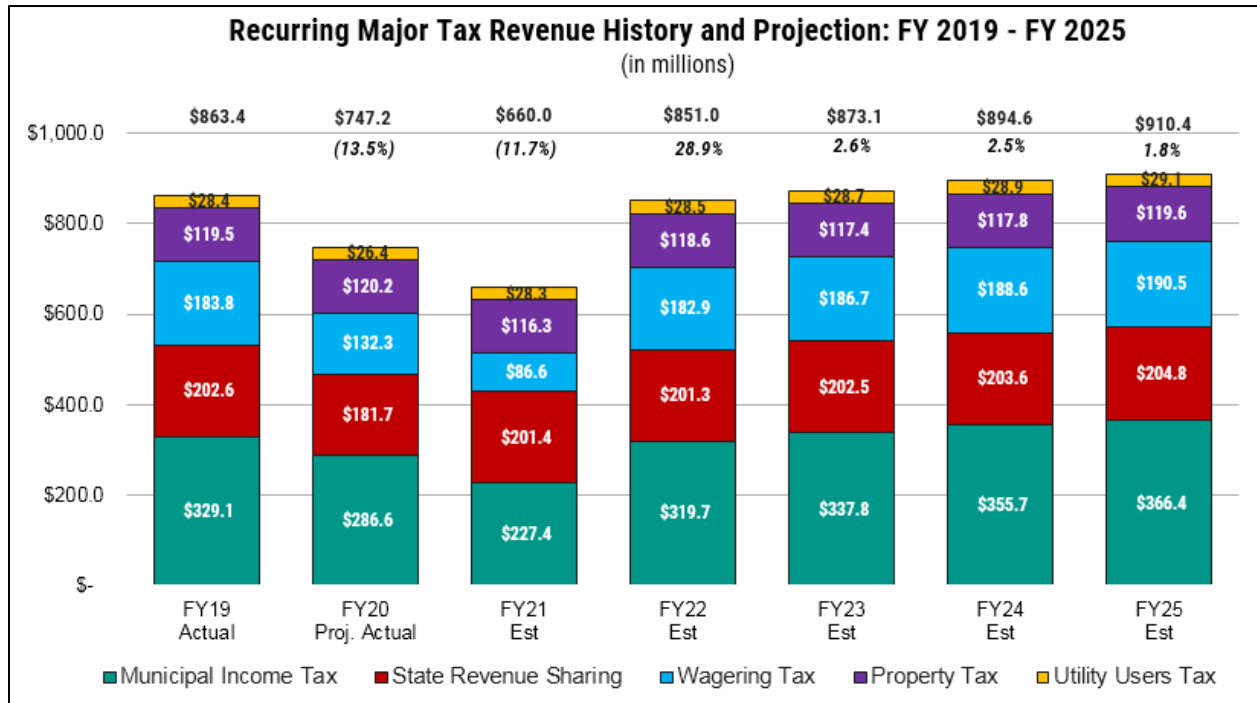
Recurring General Fund revenue is projected at \$840.7 million in FY 2021. The updated FY 2021 recurring General Fund revenue estimates have been decreased by \$66.0 million, representing a 7.3% reduction from the FY 2021 Adopted Budget. The decrease is primarily driven by \$48.7 million wagering tax losses due to delayed casino openings, and a \$20.4 million reduction in Other Revenue. For Other Revenue, the decrease is mostly attributable to a \$10.7 million reduction in Municipal Parking revenue due to delayed economic activity, as well as no longer assuming \$9.1 million in delayed FY 2020 36th District Court and EMS collections posting in FY 2021. At the time of the FY 2021 Adopted Budget, it was anticipated that delayed FY 2020 court and EMS revenue would carry into FY 2021; however, this assumption is reversed based on collections through June 2020 that were not available at the time of the Adopted Budget.

FY 2021 Income Tax projections have also been reduced downward by \$12.0 million since the Adopted Budget in large part due to a net effect of a higher than expected withholding offset by an additional \$27.9 million in estimated nonresident tax refunds from remote work activity. State Revenue Sharing constitutional estimates have been increased upward by \$10.9 million since the Adopted Budget mainly due to projected improvements in sales tax collections based on the August State Consensus Revenue Estimating Conference. Baseline Property Taxes have been adjusted upward by \$4.4 million due to updated tax year 2020 taxable values.

Compared to FY 2020 projected year-end results, recurring FY 2021 revenues are expected to decrease overall by 8.5%. This decline is mainly attributable to continued COVID-19 economic impacts to Income Tax and Wagering Tax.

Non-recurring revenues are not projected in the FY 2021 September forecast. The non-recurring FY 2020 projected revenues are comprised of a \$3.5 million one-time Corporate Income Tax refund, net of \$15.6 million in various Other Revenue items. The \$15.6 million is comprised of \$6 million in one-time sales of City real property, and a \$3.9 million Local Community Stabilization Authority payment, \$2 million from the JLA Garage sale, and \$3.1 million from the Millennium Garage sale. The remaining \$13 million from the Millennium Garage sale was deposited into a non-General Fund capital projects fund, per the resolution approving the sale. FY 2020 projected year-end results are preliminary and are subject to change.

Summary of Major Taxes:



The major tax projections assumes continued COVID-19 economic impacts to Income and Wagering Taxes in FY 2021. The forecast anticipates an 11.7% FY 2021 decrease in major tax revenue compared to the projected FY 2020 actuals. This decline is largely attributable to increased income tax refunds from continued remote work, and casinos gradually returning to full capacity. The forecast anticipates a return to baseline in FY 2022 and a consistent annual growth trend throughout the FY 2022 – FY 2025 forecast period. The forecast also does not include potential upsides from new development projects or recent State law changes to internet gaming and sports betting.

General Fund Major Revenue Estimates - Detail, FY 2021 - FY 2025

\$ in millions

September 2020 Estimates

	FY21	FY22	%	FY23	%	FY24	%	FY25	%
	Est	Est	Change	Est	Change	Est	Change	Est	Change
Major Taxes									
Income Tax	\$ 227.4	\$ 319.7	40.6%	\$ 337.8	5.7%	\$ 355.7	5.3%	\$ 366.4	3.0%
Withholding	277.0	317.6	14.7%	338.8	6.7%	358.2	5.7%	370.3	3.4%
Individual	22.4	25.9	15.6%	27.7	6.9%	29.2	5.4%	30.2	3.4%
Corporate	16.3	17.6	8.0%	17.6	0.0%	17.6	0.0%	17.6	0.0%
Partnership	3.8	4.1	7.9%	4.1	0.0%	4.1	0.0%	4.1	0.0%
Assessments	1.0	-	-100.0%	-		-		-	
Recurring Refunds	(29.4)	(28.2)	-4.1%	(32.1)	13.8%	(34.1)	6.2%	(35.9)	5.3%
Additional Tax Refunds ¹	(63.7)	(17.3)	-72.8%	(18.3)	5.8%	(19.3)	5.5%	(19.9)	3.1%
State Revenue Sharing	201.4	201.3	0.0%	202.5	0.6%	203.6	0.5%	204.8	0.6%
Statutory	144.3	144.3	0.0%	144.3	0.0%	144.3	0.0%	144.3	0.0%
Constitutional	57.1	57.0	-0.2%	58.2	2.1%	59.3	1.9%	60.5	2.0%
Wagering Tax	86.6	182.9	111.2%	186.7	2.1%	188.6	1.0%	190.5	1.0%
Property Tax	132.1	133.7	1.2%	132.8	-0.7%	133.5	0.5%	135.6	1.6%
Tax Increment Financing Capture	(15.8)	(15.1)	-4.4%	(15.4)	2.0%	(15.7)	1.9%	(16.0)	1.9%
Net Property Tax	116.3	118.6	2.0%	117.4	-1.0%	117.8	0.3%	119.6	1.5%
Current	89.4	88.4	-1.1%	88.5	0.1%	89.7	1.4%	91.5	2.0%
Delinquent	24.1	27.4	13.7%	26.0	-5.1%	25.1	-3.5%	25.1	0.0%
Special Acts	2.8	2.8	0.0%	2.9	3.6%	3.0	3.4%	3.0	0.0%
Utility Users Tax	40.8	41.0	0.5%	41.2	0.5%	41.4	0.5%	41.6	0.5%
To Public Lighting Authority	(12.5)	(12.5)	0.0%	(12.5)	0.0%	(12.5)	0.0%	(12.5)	0.0%
Net Utility Users Tax	28.3	28.5	0.7%	28.7	0.7%	28.9	0.7%	29.1	0.7%
Total, Major Taxes	\$ 660.0	\$ 851.0	28.9%	\$ 873.1	2.6%	\$ 894.6	2.5%	\$ 910.4	1.8%

Notes:

(1) Losses reflect projected non-resident work from home tax refunds during FY21 closures and moving forward.

Summary of Economic Drivers:

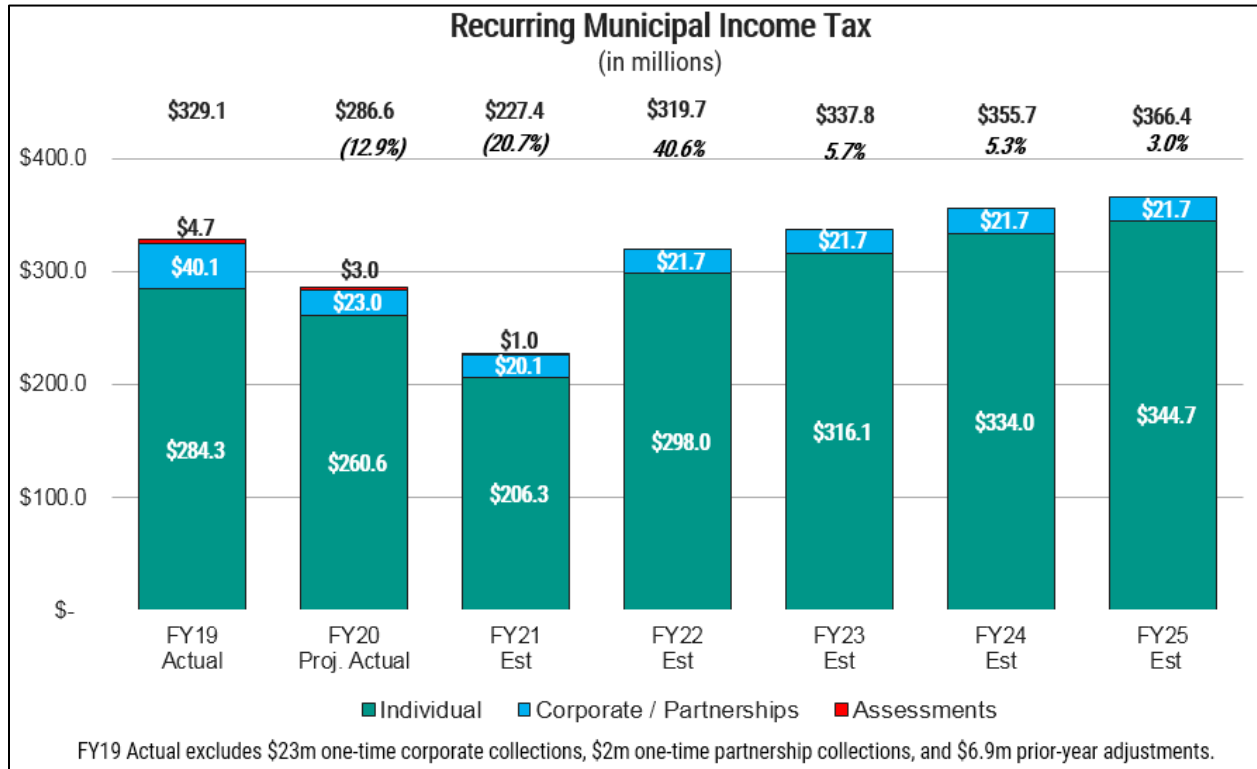
Forecasted Economic Inputs by Fiscal Year

Major Revenue	Economic Input	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Municipal Income Tax	Resident Employment Growth ¹	-3.3%	6.9%	1.9%	1.4%	0.9%
	Non-Resident Employment Growth ¹	-3.4%	6.3%	1.5%	1.0%	0.6%
	Resident Wage Growth ²	-0.5%	7.0%	5.5%	4.5%	2.9%
	Non-Resident Wage Growth ²	-0.5%	9.1%	4.6%	4.5%	2.4%
	Corporate Income Growth	-12.7%	7.9%	0.0%	0.0%	0.0%
Property Tax	U.S. Consumer Price Index for All Urban Consumers (U.S. CPI-U) ³	1.9%	0.4%	1.8%	2.0%	1.9%
State Revenue Sharing	Sales Tax Forecast ⁴	0.2%	-0.2%	2.0%	2.0%	2.0%
	City/State Population Ratio ⁵	7.2%	6.7%	6.7%	6.7%	6.7%
Wagering Tax	Average Rate of Change 2010-2019 ⁶	-28.8%	100%	1.0%	1.0%	1.0%
Utility Users Tax	Average Household Unit Growth 2010-2018 ⁷	3.7% ⁸	0.5%	0.5%	0.5%	0.5%

Sources:

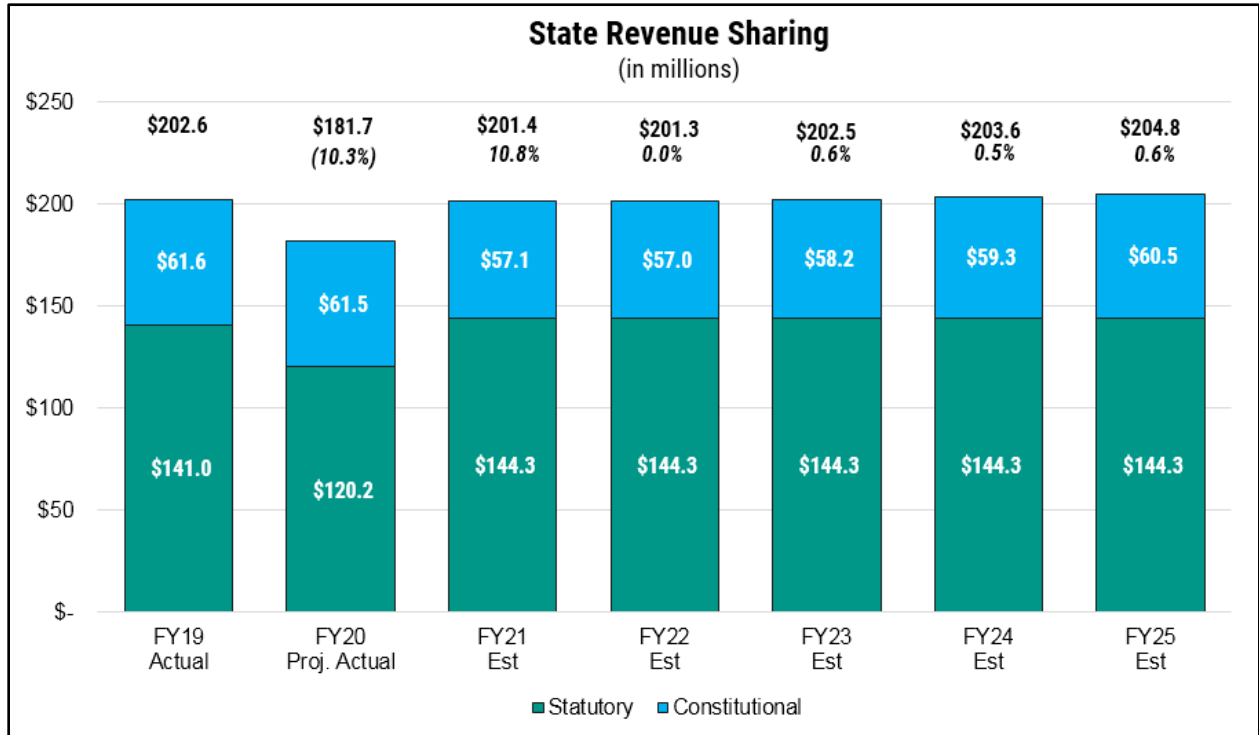
- (1) U.S. Census Bureau and Local Area Unemployment Statistics
- (2) Quarterly Census of Employment and Wages
- (3) FY 2021 uses the 2019 US CPI-U state by the State Tax Commission, FY 2022-2025 uses the 2020-2022 US CPI-U consensus forecast from the Survey of Professional Forecasters
- (4) State of Michigan August 2020 Consensus Revenue Estimating Conference
- (5) U.S. Census Bureau, 2010 Decennial Census and 2019 Population Estimates
- (6) Michigan Gaming Control Board, FY21 and FY22 is author's calculations from expectations on capacity restrictions
- (7) U.S. Census Bureau, American Community Survey 1-year Estimates
- (8) Calculations based on reopening expectations

Municipal Income Tax:



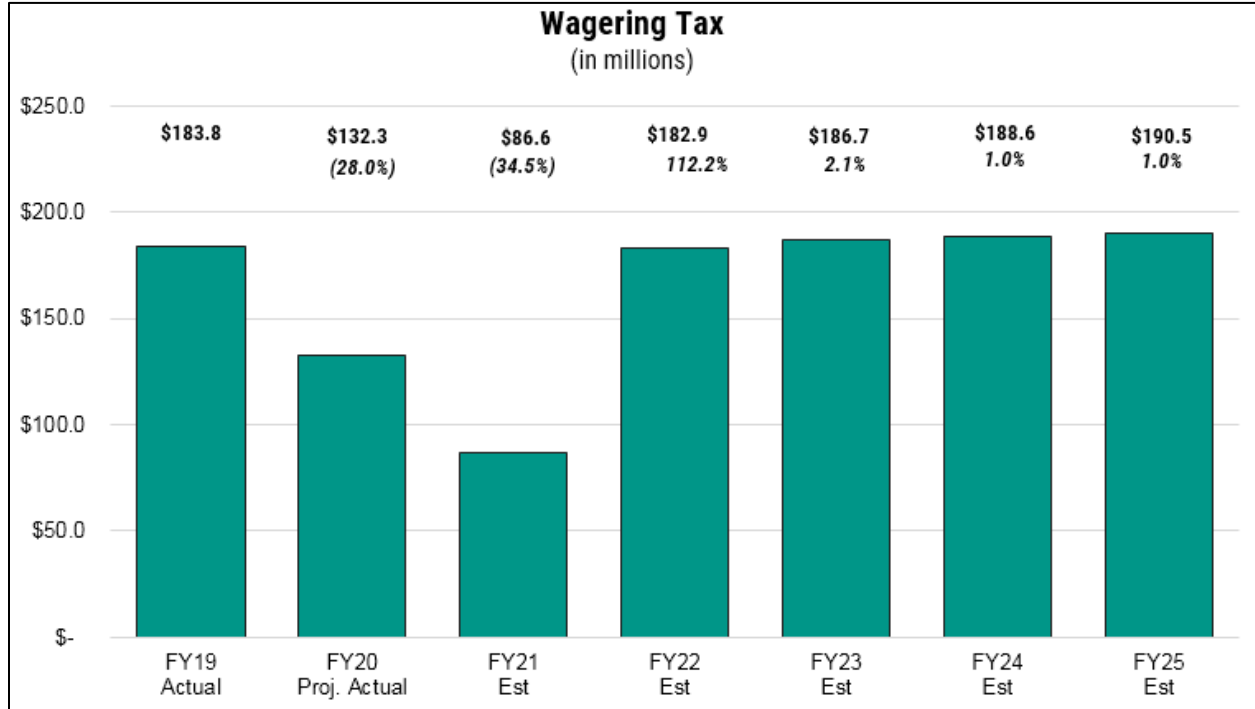
In accordance with the City Income Tax Act (Public Act 284 of 1964, as amended), the City levies a municipal income tax, with certain exemptions such as unemployment benefits. The current tax rates are 2.4% for residents, 1.2% for non-residents, and 2.0% for corporations, which are the maximum allowed by State law. The primary drivers behind income tax revenue are resident employment levels, non-resident employment levels, and wages. The base year employment estimates are tied to observed local area employment data, and employment growth rates for each employment category are projected independently. Wage growth is projected using observed regional and local wage data and is assumed to be uniform for each employment category. The FY 2021 estimate represents a 20.7% decrease compared to FY 2020. The FY 2020 projected year-end result and the FY 2021 forecast incorporates an anticipated larger refund liability due to non-residents working from home during the COVID-19 pandemic. Corporate tax collections have also been impacted by the pandemic. Corporate income tax revenue is expected to fall by 12.7% in FY 2020 and recover by 7.9% in FY 2022. To hedge against volatility, the forecast assumes that corporate tax revenue will remain flat from FY 2022–25. The forecast does not include potential upside from new development projects or improved compliance efforts. Income tax activity that has been identified as non-recurring is not included in the forecasted base.

State Revenue Sharing:



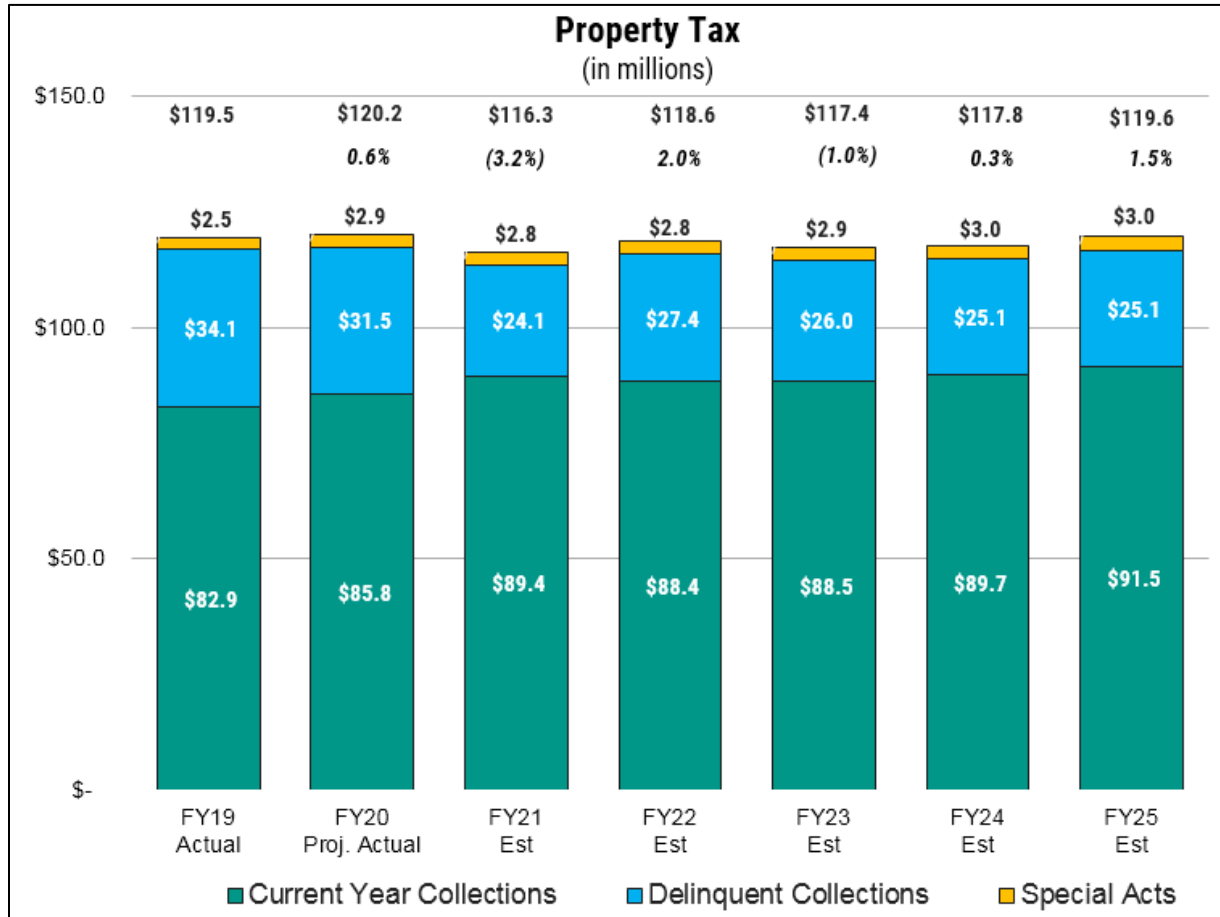
Revenue sharing payments from the State come from two components: constitutional (30%) and statutory (70%). The State Constitution of 1963, Article IX, Section 10, as amended, requires constitutional revenue sharing payments to municipalities based on 15% of the 4% portion of Michigan’s sales tax collections. The State allocates amounts to municipalities based on population as of the last decennial Census. Statutory revenue sharing payments have an underlying formula distribution. However, they are effectively set annually in the State budget and are held flat in the forecast period. The FY 2020 projected year-end result reflects a \$24.1 million one-time cut to statutory payments that will be offset by \$37 million in State aid funded from the federal CARES Act that will be counted in FY 2021 as non-General Fund revenue. The forecast assumes growth in the constitutional share based on forecasted State sales tax growth and includes increases from online sales tax enforcement based on amounts approved by the state’s January 2020 Consensus Revenue Estimating Conference. The \$4.4 million reduction assumed in FY 2021 is due to anticipated population declines measured in the upcoming 2020 Census. The forecast does not assume changes to the annual statutory allocation of \$144.3 million, nor does it include any potential additional supplemental appropriations, which occurred in FY 2019.

Wagering Taxes:



In accordance with the Michigan Gaming Control and Revenue Act (Initiated Law 1 of 1996, as amended), a tax on adjusted gross receipts is applied to the three casinos operating in Detroit. The current City wagering tax rate is 11.9% (10.9% in State law, plus 1% pursuant to the casinos’ development agreements with the City). The casinos also pay the City a supplemental 1% tax if their gross receipts exceed \$400 million in a calendar year. The City also assesses a municipal service fee from each casino of 1.25% of adjusted gross receipts or \$4 million, whichever is greater (included separately in the “Other Revenues” category). FY 2020 projected year-end results are 28.0% lower than FY 2019 due to casino closures in March. FY 2021 wagering tax revenues are expected to be 34.5% lower than FY 2020 based on delayed reopening and phase-in to full capacity, which started in August. Wagering Taxes are anticipated to return to baseline in FY 2023, and the FY 2024–25 forecast assumes the annual growth for adjusted gross receipts to be constant at 1%. The forecast does not reflect potential changes to wagering tax rates and State regulations, including any future revenues associated with the recent legalization of online gaming and sports betting.

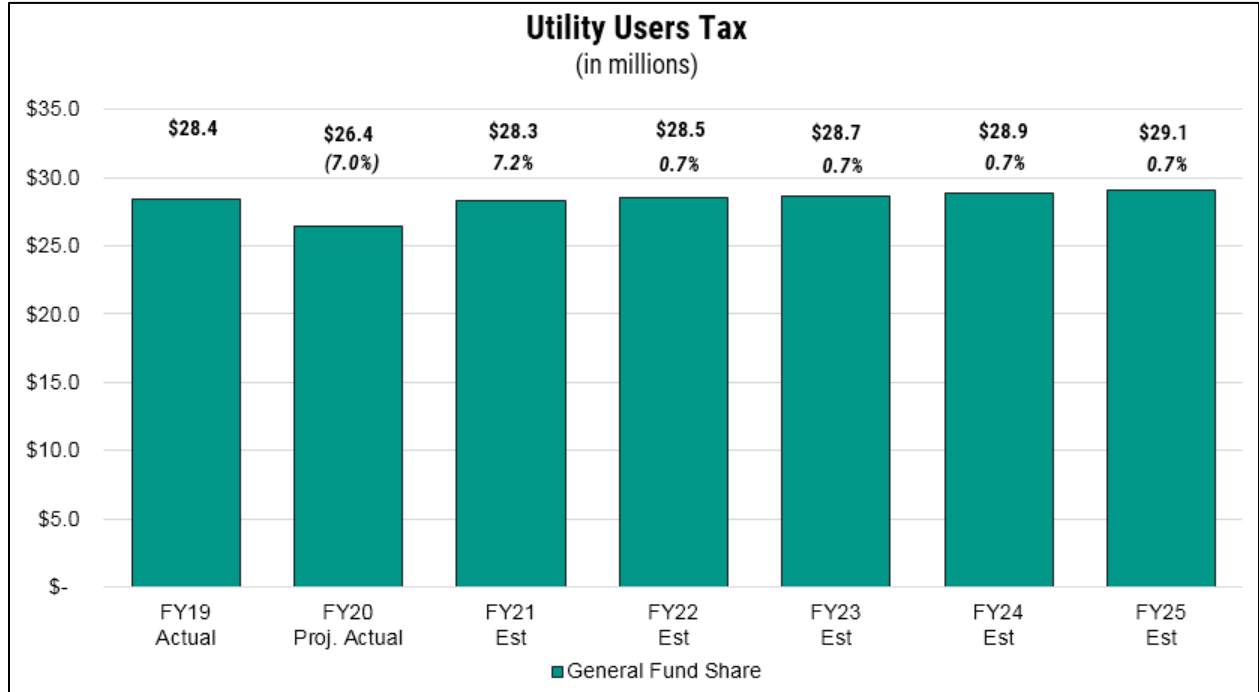
Property Tax:



In accordance with the General Property Tax Act (Public Act 206 of 1893, as amended), the City levies taxes on real and personal property. Collections consist of current year taxes, delinquent taxes, and related auction proceeds. The City currently levies 19.952 mills for general operating purposes. However, the millage rate and taxable values are subject to various abatements and exemptions. The actual General Fund collections and revenue estimates are net of captured tax increment financing distributions. The amounts above are primarily ad valorem property tax revenue. Special Act property tax revenues from Neighborhood Enterprise Zones, Industrial Facilities Tax, and Obsolete Property Rehabilitation Act parcels are included separately in the “Other Revenues” category.

Declines in revenue from FY 2021–23 are primarily due to reductions in the tax roll from the State-mandated phase-out of industrial personal property, as well as changes in tax increment financing (TIF) capture distributions and one-time audit adjustments. The primary driver for growth during the forecast period is a lagged inflation rate defined by the State Tax Commission (US Consumer Price Index for Urban Consumers lagged by one year) applied to the reported tax year 2019 base, which is defined as the cap for growth in taxable value under the State constitution (i.e., Proposal A). The FY 2020 collection rate of 84.0% is held constant throughout the forecast period. Other components, such as payments from Wayne County for delinquent real property tax collections and revenue capture by TIF authorities, are also factored into the forecast based on current and historical observations. The forecast does not include prospective gains from additions to the tax base or the “uncapping” of taxable value.

Utility Users Tax:



In accordance with the City Utility Users Tax Act (Public Act 100 of 1990, as amended), the City levies a 5% tax on consumption of electricity, gas, steam, and telephone services. Annual changes in the revenue forecast are largely based on the average growth rate in household units that is consistent with prior-year trends. The actual General Fund collections and revenue estimates are net of \$12.5 million that are designated to the Public Lighting Authority (PLA).

Other Departmental General Fund Revenue:

September 2020 Revenue Estimates, Recurring Other Departmental Revenue, General Fund										
<i>\$ in millions</i>										
	September 2020 Estimates									
	FY 2021	FY 2022	Change	FY 2023	Change	FY 2024	Change	FY 2025	Change	
Recurring Revenue										
Departmental Fees and Assessments										
Municipal Service Fee - Casinos	\$ 12.0	\$ 15.8	31.7%	\$ 18.7	18.4%	\$ 18.9	1.1%	\$ 19.1	1.1%	
36th District Court Fines and Fees	16.5	16.5	0.0%	16.5	0.0%	16.5	0.0%	16.5	0.0%	
Fire Department EMS Service Fees	16.8	17.0	1.2%	17.3	1.8%	17.6	1.7%	17.9	1.7%	
Municipal Parking Fines	6.9	11.9	72.5%	11.9	0.0%	11.9	0.0%	11.9	0.0%	
Municipal Parking Fees	3.9	7.7	97.4%	7.7	0.0%	7.7	0.0%	7.7	0.0%	
Licenses, Permits and Inspection Charges ¹	12.8	13.8	7.8%	13.9	0.7%	14.1	1.4%	14.2	0.7%	
Subtotal, Departmental Fees and Assessments	\$ 68.9	\$ 82.7	20.0%	\$ 86.0	4.0%	\$ 86.7	0.8%	\$ 87.3	0.7%	
Other Recurring Revenue										
Reimbursements and Central Staff	\$ 40.7	\$ 41.5	2.0%	\$ 42.1	1.4%	\$ 42.7	1.4%	\$ 43.3	1.4%	
Other Departmental Fees ²	19.1	19.7	3.1%	19.8	0.5%	19.8	0.0%	19.9	0.5%	
DIA / Foundation Grand Bargain Contributions	18.7	18.7	0.0%	18.7	0.0%	18.7	0.0%	18.7	0.0%	
Earnings on Investments	4.8	4.8	0.0%	4.8	0.0%	4.8	0.0%	4.8	0.0%	
Other ³	28.5	26.3	-7.7%	26.1	-0.8%	25.9	-0.8%	25.7	-0.8%	
Subtotal, Other Recurring Revenue	\$ 111.8	\$ 111.0	-0.7%	\$ 111.5	0.5%	\$ 111.9	0.4%	\$ 112.4	0.4%	
Total, Other Departmental Revenue	\$ 180.7	\$ 193.7	7.2%	\$ 197.5	2.0%	\$ 198.6	0.6%	\$ 199.7	0.6%	
Notes:										
(1) Comprises of various business and regulatory licenses, street use permits, and construction inspection and fire permit charges.										
(2) Comprises mostly of departmental service charges, such as various Health, Admin Hearing (late blight ticket fees), Cable Franchise, and Recreation fees.										
(3) Comprises of miscellaneous revenues and assessments.										

The Other Departmental Revenue category includes various revenues administered by individual departments related to their activities. The table above breaks out Other Departmental Revenues into two categories: departmental fees and assessments and other recurring revenue.

Departmental fees and assessments make up roughly 40% of all recurring Other Departmental Revenue. The 20% increase from FY 2021 to FY 2022 is largely attributable to departmental revenues impacted by COVID-19 returning back to baseline figures. Increased Casino Municipal Service Fees are driven by casinos returning to full capacity through FY 2022, and Municipal Parking fees and fines are anticipated to gradually return to 80% capacity by the end of FY 2021. Parking fees and fines are projected at 90% capacity in FY 2022 – FY 2025 due to potential work culture changes moving forward. The estimates above are based off current activity, and do not include potential upside from initiatives recently underway or in development, such as new parking initiatives and other revenue optimization efforts.

The other recurring revenue category represents the remaining 60% of Other Departmental Revenue. The forecast assumes a 0.7% decrease from FY 2021 to FY 2022, largely due to the removal of a \$2.3 million March 2020 presidential primary reimbursement received in FY 2021. Modest growth in other recurring revenue is anticipated throughout the remainder of the forecast period.

Non-General Fund Revenues:

September 2020 Revenue Estimates, Non-General Fund									
<i>\$ in thousands</i>									
	FY21	FY22		FY23		FY24		FY25	
	Est	Est	% Change	Est	% Change	Est	% Change	Est	% Change
Non-General Fund¹									
City of Detroit Capital Projects	\$ -	\$ -		\$ -		\$ -		\$ -	
Civil Rights, Inclusion and Opportunity Fund	2,000	2,040	2.0%	2,081	2.0%	2,122	2.0%	2,165	2.0%
Community Development Block Grant	32,829	33,486	2.0%	34,155	2.0%	34,838	2.0%	35,535	2.0%
Construction Code Fund	22,986	25,042	8.9%	25,543	2.0%	26,054	2.0%	26,575	2.0%
COVID-19 Revenue Fund	-	-		-		-		-	
Drug Law Enforcement Fund	1,229	1,254	2.0%	1,279	2.0%	1,304	2.0%	1,330	2.0%
Elections Voter's Education Donations	3	3	2.0%	3	2.0%	3	2.0%	3	2.0%
Fire Grants Fund	597	609	2.0%	621	2.0%	634	2.0%	646	2.0%
Health Grants Fund	28,117	28,961	3.0%	29,830	3.0%	30,725	3.0%	31,646	3.0%
Homeland Security Grants Fund	740	755	2.0%	770	2.0%	785	2.0%	801	2.0%
Library	32,425	33,122	2.1%	33,835	2.2%	34,566	2.2%	35,314	2.2%
Major Street	100,153	104,666	4.5%	105,416	0.7%	105,616	0.2%	105,829	0.2%
Mayor's Office Grants Fund	174	177	2.0%	181	2.0%	185	2.0%	188	2.0%
Police Grants Fund	6,065	6,186	2.0%	6,310	2.0%	6,436	2.0%	6,565	2.0%
Public Act 48 of 2002 Fund	3,000	3,060	2.0%	3,121	2.0%	3,184	2.0%	3,247	2.0%
Public Lighting Decommissioning Reserve Fund	312	318	2.0%	325	2.0%	331	2.0%	338	2.0%
Recreation/General Services Grants Fund	750	765	2.0%	780	2.0%	796	2.0%	812	2.0%
Sinking Interest & Redemption ²	67,657	52,816	-21.9%	48,991	-7.2%	45,532	-7.1%	42,362	-7.0%
Solid Waste Management	45,725	47,425	3.7%	47,725	0.6%	47,925	0.4%	48,225	0.6%
Special Housing Rehab Programs	9,651	9,844	2.0%	10,041	2.0%	10,242	2.0%	10,447	2.0%
Special Revenue Fund	8,905	9,083	2.0%	9,265	2.0%	9,450	2.0%	9,639	2.0%
Urban Development Action and Discretionary Grants	2,771	2,826	2.0%	2,883	2.0%	2,941	2.0%	2,999	2.0%
Enterprise Fund									
Airport Operation and Maintenance ³	742	757	2.0%	772	2.0%	787	2.0%	803	2.0%
Detroit Water and Sewerage Department	624,769	637,264	2.0%	650,010	2.0%	663,010	2.0%	676,270	2.0%
Transportation ³	63,235	73,659	16.5%	74,083	0.6%	74,515	0.6%	74,955	0.6%
Total, Non-General Fund Revenue	\$ 1,054,835	\$ 1,074,119	1.8%	\$ 1,088,019	1.3%	\$ 1,101,981	1.3%	\$ 1,116,695	1.3%

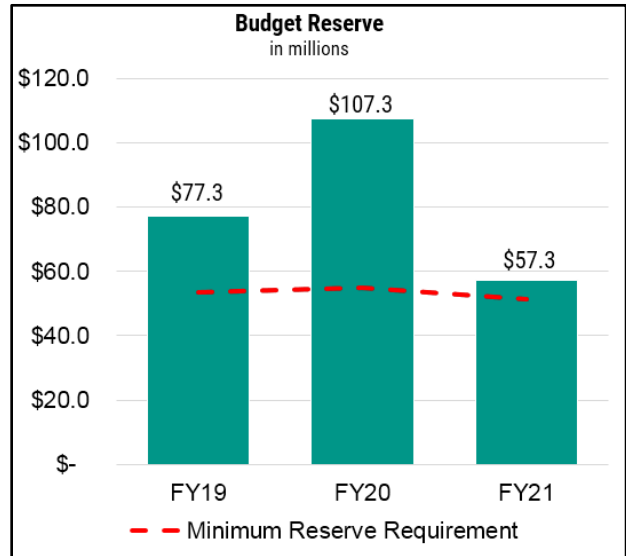
Notes:
(1) Non-General Fund grouping represents all funds excluding Enterprise and fund 1000.
(2) Forecast based on current debt service schedule. FY21-25 includes \$5m for payments on planned \$80m borrowing.
(3) Forecast adjusted to exclude annual General Fund contributions (\$1.7m Airport and \$37.5m DDOT in FY21, and \$64.5m in FY22-25).

Non-General Fund revenues include enterprise, grant and special revenue funds. Major examples include water and sewer bills, bus fares, solid waste fees, intergovernmental aid for roads and transit, library taxes, and other dedicated revenues. The Construction Code Fund assumes FY 2021 COVID-19 impacts to permitting activity, with a return to baseline in FY 2022. The Solid Waste Management Fund forecast includes an updated customer count and elimination of monthly payment plans. The Pay as you Stay (PAYS) plan forgives delinquent solid waste fees moving forward, and the forecast has been modified for this policy change. The Major Street Fund forecast is based on the State's projected fuel tax losses, with an anticipated return to baseline by FY 2022. The FY 2021 Transportation Fund forecast anticipates that DDOT bus fares will remain suspended through December 2020, while the FY 2022 – FY 2025 forecast assumes a return to baseline fare activity.

Budget Reserve:

State of Michigan Public Act 279 of 1909, Sections 117.4t(1)(b)(vi) and 117.4t(1)(c)(vi), as amended by Public Act 182 of 2014, states the City's annual four-year financial plan shall include and comply with the following requirements:

- Measures to assure adequate reserves for mandated and other essential programs and activities in the event of an overestimation of revenue, an underestimation of expenditures, or both.
- Include a general reserve fund for each fiscal year to cover potential reductions in projected revenues or increases in projected expenditures equal to no less than 5% of the projected expenditures for the fiscal year.



As of June 30, 2019, the City's Budget Reserve (or "Rainy Day fund") totaled \$77.3 million, which exceeded the minimum requirement of 5% of the projected expenditures for FY 2020. The FY 2020 Adopted Budget provided an increase to \$107.3 million (nearly 10% of expenditures). The FY 2021 Adopted Budget provides for an ending budget reserve balance of \$57.3 million, or 5.6% of projected expenditures. The FY 2021 Adopted Budget assumes the City will draw down on \$50 million in budget reserve to help address COVID-19 revenue shortfalls; still maintaining a balance above 5%.

Potential Risks to the Revenue Forecast:

In addition to the economic outlook risks discussed earlier in this report, the following represent additional fiscal risks to the proposed revenue forecast:

- Second wave of COVID-19 and another round of mandatory closures
- Extended and more severe economic recession
- Federal and State budget pressures
- Worse than expected remote work refund liability and casino capacity limitation
- Permanent reductions in economic activity due to capacity limits and behavior changes (e.g., office work, restaurants, hotels, entertainment)
- Negative COVID-19 impact on commercial property values and collection rates

Potential Revenue Improvements:

The September 2020 revenue estimates do not take into consideration potential changes to existing tax law or proposed Federal, State, and local policies that have an impact on City revenues. The following policy initiatives could yield additional revenue for the City.

- Additional federal fiscal relief and fiscal stimulus
- Increased State-shared revenues from recreational marijuana sales.
- State-shared revenues from recently-enacted internet gaming and sports betting.

Additionally, the following City initiatives could provide further improved revenues:

- New and ongoing development projects throughout the city
- Expiring tax abatements and taxable values uncapping from property sales
- Property tax collection rate improvements from the City's Plan Ahead Property Tax Savings Program.
- Departmental revenue gains from initiatives in early stages, such as new parking initiatives and other revenue optimization efforts.
- Revenues collected from one-time sales of City-owned real property and other non-recurring revenues that are not anticipated in these estimates.

Appendix:

Exhibit 1 - Changes from the February 2020 Revenue Estimating Conference, FY 2021 – FY 2024:

September 2020 Revenue Estimates vs. February 2020 Revenue Estimates												
(in millions)												
Major Taxes	FY21			FY22			FY23			FY24		
	Feb	Sept	% Change	Feb	Sept	% Change	Feb	Sept	% Change	Feb	Sept	% Change
Income Tax	\$ 340.4	\$ 227.4	-33.2%	\$ 347.6	\$ 319.7	-8.0%	\$ 357.0	\$ 337.8	-5.4%	\$ 366.1	\$ 355.7	-2.8%
State Revenue Sharing	205.0	201.4	-1.8%	206.6	201.3	-2.6%	208.3	202.5	-2.8%	210.0	203.6	-3.0%
Wagering Tax	187.8	86.6	-53.9%	189.7	182.9	-3.6%	191.6	186.7	-2.6%	193.5	188.6	-2.5%
Property Tax	133.4	132.1	-1.0%	132.9	133.7	0.6%	132.5	132.8	0.2%	132.8	133.5	0.5%
Tax Increment Financing Capture	(14.5)	(15.8)	9.0%	(14.1)	(15.1)	7.1%	(14.4)	(15.4)	6.9%	(14.6)	(15.7)	7.5%
Net Property Tax	118.9	116.3	-2.2%	118.8	118.6	-0.2%	118.1	117.4	-0.6%	118.2	117.8	-0.3%
Utility Users Tax	41.0	40.8	-0.5%	41.2	41.0	-0.5%	41.4	41.2	-0.5%	41.6	41.4	-0.5%
To Public Lighting Authority	(12.5)	(12.5)	0.0%	(12.5)	(12.5)	0.0%	(12.5)	(12.5)	0.0%	(12.5)	(12.5)	0.0%
Net Utility Users Tax	28.5	28.3	-0.7%	28.7	28.5	-0.7%	28.9	28.7	-0.7%	29.1	28.9	-0.7%
Subtotal, Major Taxes	\$ 880.6	\$ 660.0	-25.1%	\$ 891.4	\$ 851.0	-4.5%	\$ 903.9	\$ 873.1	-3.4%	\$ 916.9	\$ 894.6	-2.4%
Other Revenues	\$ 204.2	\$ 180.7	-11.5%	\$ 204.5	\$ 193.7	-5.3%	\$ 205.5	\$ 197.5	-3.9%	\$ 206.6	\$ 198.6	-3.9%
Grand Total, General Fund	\$ 1,084.8	\$ 840.7	-22.5%	\$ 1,095.9	\$ 1,044.7	-4.7%	\$ 1,109.4	\$ 1,070.6	-3.5%	\$ 1,123.5	\$ 1,093.2	-2.7%

Exhibit 2 - General Fund Revenues by Major Use:

September 2020 Revenue Estimates, General Fund										
(in millions)										
Major Taxes	FY21	FY22	% Change	FY23	% Change	FY24	% Change	FY25	% Change	
	Est	Est		Est		Est		Est		
Income Tax	\$ 227.4	\$ 319.7	40.6%	\$ 337.8	5.7%	\$ 355.7	5.3%	\$ 366.4	3.0%	
State Revenue Sharing	201.4	201.3	0.0%	202.5	0.6%	203.6	0.5%	204.8	0.6%	
Wagering Tax	86.6	182.9	111.2%	186.7	2.1%	188.6	1.0%	190.5	1.0%	
Property Tax	132.1	133.7	1.2%	132.8	-0.7%	133.5	0.5%	135.6	1.6%	
Tax Increment Financing Capture	(15.8)	(15.1)	-4.4%	(15.4)	2.0%	(15.7)	1.9%	(16.0)	1.9%	
Net Property Tax	116.3	118.6	2.0%	117.4	-1.0%	117.8	0.3%	119.6	1.5%	
Utility Users Tax	40.8	41.0	0.5%	41.2	0.5%	41.4	0.5%	41.6	0.5%	
To Public Lighting Authority	(12.5)	(12.5)	0.0%	(12.5)	0.0%	(12.5)	0.0%	(12.5)	0.0%	
Net Utility Users Tax	28.3	28.5	0.7%	28.7	0.7%	28.9	0.7%	29.1	0.7%	
Subtotal, Major Taxes	\$ 660.0	\$ 851.0	28.9%	\$ 873.1	2.6%	\$ 894.6	2.5%	\$ 910.4	1.8%	
Other Revenue										
Fines, Forfeits and Penalties	15.6	20.6	32.1%	20.6	0.0%	20.6	0.0%	20.6	0.0%	
Interest and Penalties on Taxes	0.3	0.3	0.0%	0.3	0.0%	0.3	0.0%	0.3	0.0%	
Intergovernmental Revenues	3.2	3.2	0.0%	3.2	0.0%	3.3	3.1%	3.3	0.0%	
Licenses, Permits and Inspection Charges	11.4	12.4	8.8%	12.5	0.8%	12.6	0.8%	12.7	0.8%	
Miscellaneous	0.3	0.3	0.0%	0.3	0.0%	0.3	0.0%	0.3	0.0%	
Other Revenue	10.4	8.6	-17.3%	9.0	4.7%	9.6	6.7%	10.1	5.2%	
Other Taxes, Assessments, and Interest	23.4	23.0	-1.7%	22.5	-2.2%	21.9	-2.7%	21.3	-2.7%	
Revenues from Use of Assets	6.6	6.6	0.0%	6.6	0.0%	6.6	0.0%	6.6	0.0%	
Sales & Charges for Services	109.5	118.7	8.4%	122.5	3.2%	123.4	0.7%	124.5	0.9%	
Subtotal, Other Revenue	\$ 180.7	\$ 193.7	7.2%	\$ 197.5	2.0%	\$ 198.6	0.6%	\$ 199.7	0.6%	
Grand Total, General Fund	\$ 840.7	\$ 1,044.7	24.3%	\$ 1,070.6	2.5%	\$ 1,093.2	2.1%	\$ 1,110.1	1.5%	

Exhibit 3 – September Other General Fund Revenue by Department:

September 2020 Revenue Estimates, Recurring Other Revenue - General Fund										
(in thousands)										
Department	FY21	FY22	FY23		FY24		FY25			
	Est	Est	Est	% Change	Est	% Change	Est	% Change		
Buildings, Safety Engineering and Environmental	2,140	2,387	2,387	11.5%	2,387	0.0%	2,387	0.0%	2,387	0.0%
Public Works	4,735	4,763	4,763	0.6%	4,763	0.0%	4,763	0.0%	4,763	0.0%
Office of the Chief Financial Officer	4,831	4,938	5,048	2.2%	5,048	2.2%	5,160	2.2%	5,274	2.2%
Fire	20,885	21,796	22,139	4.4%	22,139	1.6%	22,489	1.6%	22,846	1.6%
Health	2,588	2,701	2,730	4.4%	2,730	1.1%	2,759	1.1%	2,789	1.1%
Human Resources	1,331	1,358	1,385	2.0%	1,385	2.0%	1,413	2.0%	1,441	2.0%
Civil Rights, Inclusion and Opportunity	402	402	402	0.0%	402	0.0%	402	0.0%	402	0.0%
Law	2,039	2,079	2,120	2.0%	2,120	2.0%	2,161	1.9%	2,203	1.9%
Mayor's Office	50	50	50	0.0%	50	0.0%	50	0.0%	50	0.0%
Municipal Parking	10,792	19,560	19,560	81.2%	19,560	0.0%	19,560	0.0%	19,560	0.0%
Non-Departmental	88,629	93,731	97,221	5.8%	97,221	3.7%	97,953	0.8%	98,695	0.8%
Housing & Revitalization	3,475	3,475	3,475	0.0%	3,475	0.0%	3,475	0.0%	3,475	0.0%
Police	5,623	5,623	5,623	0.0%	5,623	0.0%	5,623	0.0%	5,623	0.0%
Public Lighting	1,600	1,400	1,200	-12.5%	1,200	-14.3%	1,000	-16.7%	800	-20.0%
Appeals and Hearings	3,148	3,148	3,148	0.0%	3,148	0.0%	3,148	0.0%	3,148	0.0%
General Services	7,841	7,848	7,855	0.1%	7,855	0.1%	7,862	0.1%	7,869	0.1%
Board of Zoning Appeals	110	110	110	0.0%	110	0.0%	110	0.0%	110	0.0%
City Council	19	19	19	0.0%	19	0.0%	19	0.0%	19	0.0%
36th District Court	18,205	18,205	18,205	0.0%	18,205	0.0%	18,205	0.0%	18,205	0.0%
City Clerk	8	8	8	0.0%	8	0.0%	8	0.0%	8	0.0%
Elections	2,258	5	5	-99.8%	5	0%	5	0.0%	5	0.0%
Total, Other Revenue - General Fund	\$ 180,709	\$ 193,606	\$ 197,453	7.1%	\$ 197,453	2.0%	\$ 198,552	0.6%	\$ 199,672	0.6%

Exhibit 4 – FY 2021 General Fund Changes from February 2020 Revenue Estimating Conference, FY 2021 Adopted Budget, and September 2020 Revenue Estimating Conference

General Fund Revenue Estimates - FY 2021 Summary					
<i>\$ in millions</i>					
	FY 2021			%	%
	February 2020 Estimate	Adopted Budget	September 2020 Estimate		
Major Taxes					
Income Tax	\$ 340.4	\$ 239.4	\$ 227.4	-33.2%	-5.0%
State Revenue Sharing	205.0	190.5	201.4	-1.8%	5.7%
Wagering Tax	187.8	135.3	86.6	-53.9%	-36.0%
Property Tax	118.9	111.9	116.3	-2.2%	3.9%
Utility Users Tax	28.5	28.5	28.3	-0.7%	-0.7%
Subtotal, Major Taxes	\$ 880.6	\$ 705.6	\$ 660.0	-25.1%	-6.5%
Other Revenues	\$ 204.2	\$ 201.1	\$ 180.7	-11.5%	-10.1%
Grand Total, General Fund	\$ 1,084.8	\$ 906.7	\$ 840.7	-22.5%	-7.3%